

## **Governor's 2018-19 Budget Proposal Webinar Q & A**

**Q: Is the community school aid included in foundation aid numbers? I see that it is at the bottom of the aid runs. I want to make sure I don't duplicate this aid revenue.**

A: Yes, the \$50 million increase in Community Schools Aid is included in the \$338 million increase in Foundation Aid. So the net increase in Foundation Aid is \$288 million

**Q: Does the Breakfast after the bell apply to schools that are CEP (where all students eat breakfast and lunch for free)?**

A: Yes.

**Q: Can we get additional clarification about the Per Building Reporting, regarding the districts that would need to report? In particular the reference to "at least 9 schools"**

A: To be reported in 2019-20: School districts containing at least 9 schools as reported in the school report card for the 2016-17 school year and which receive at least 50% of total revenue from state aid as reported in the fiscal profiles master files report produced by the commissioner concerning data on school district expenditures and revenues for the 2015-16 school year.

**Q: So the total increase in Foundation Aid is really \$288 million in "unrestricted" aid and \$50 million in community set aside?**

A: Yes.

**Q: With the proposed statewide building aid cap, what happens once they reach the 2%? How would it be divided at that point?**

A: Building Aid payable would be prorated using an Efficiency Factor. The Efficiency Factor is calculated as the quotient of statewide results for (2018-19 Building Aid X 1.02) / 2019-20 Building Aid payable without capping. This calculation uses data from 2017-18 and 2018-19 and the Efficiency Factor was 96%. The resulting percentage is multiplied by each district's Building Aid payable for 2019-20 and reduced accordingly.

**Q: The 2% cap in BOCES and Transportation aid is without regard to changes in the underlying expense? So, for example, if our non-allowable pupil decimal decreases resulting in an increase in approved operating expense, the aid would still be capped at 2% more than last year?**

A: Yes. Approved pupil transportation aid beginning in school year 2019-20 will be limited to base year aid multiplied by 1.02 for each school district, as of November 15 immediately following the close of the base year.

**Q: Would the state sharing ratio for Sec 4408 be the CWR found on line 52 of the GEN report?**

A: The proposed legislation states: “such approved tuition expense multiplied by the state sharing ratio for public high cost excess cost aid computed pursuant to subdivision five of section thirty-six hundred two of this chapter”

According to this section of law, this refers to the Public Excess Cost Aid Ratio found on line 4 of the Public Excess High Cost Aid Output Report. It is also described on page 42 of the State Aid handbook at [https://stateaid.nysed.gov/publications/handbooks/handbook\\_2017.pdf](https://stateaid.nysed.gov/publications/handbooks/handbook_2017.pdf).

**Q: Follow up to building aid question, how are districts expected to estimate aid and taxes when putting out a capital bond proposition?**

A: We suggest working with your financial advisors to estimate this.

**Q: Will the new version of the presentation be available to download?**

A: Yes. See our State Budget page (2018) at <https://www.nysasbo.org/page/state-budget--672.html>

**Q: The change in 4408 programs would only be for the education portion correct? Transportation would remain at 80%?**

A: That is correct. The changes would not apply to the maintenance or transportation costs.

**Q: Re per building reporting, our district has one HS/MS campus and 4 elementary schools and state aid is 10% of our revenue. Thus, we are not subject to this reporting requirement as this time, is that correct?**

A: That is correct. You would not be required to report.

**Q: Could you explain the relationship, if any, between the governor's per-building reporting requirement and the ESSA requirements?**

A: See PDF with a table delineating the relationship found in a separate attachment entitled “Comparison of Executive Proposal and ESSA Requirements for School level Expenditure Reporting” on NYSASBO’s State Budget web page ([https://www.nysasbo.org/uploads/files/1516994954\\_executiveProposalESSASchoolLevelSpending.pdf](https://www.nysasbo.org/uploads/files/1516994954_executiveProposalESSASchoolLevelSpending.pdf))

**Q: So the 3% General Fund reduction if applied to schools would essentially be similar to the GEA reduction?**

A: School Aid is specifically excluded from the possible general fund reduction, so, no, this is

not like a GEA reduction.

**Q: How does the payroll tax in place of the income tax affect Final Average Salary for pension purposes?**

A: This is a question that should be directed to the Comptroller's Office and perhaps the Department of Tax and Finance.

**Q: How is the state going to determine that a district is in compliance with purchasing 30% of its school meals from NYS?**

A: This is a detail that still needs to be determined. The Department's Child Nutrition office will likely take the lead if this becomes law.

**Q: Is the STAR freeze starting in 2018-19 or is it starting in 2019-20?**

A: The STAR freeze would start in 2018-19.

**Q: Could you review the General Fund reduction again??**

A: To mitigate potential risks related to State tax receipts, the Executive Budget proposes language to allow for uniform spending reductions to certain local assistance disbursements if annual estimates for tax receipts are revised downward by more than \$500 million during the fiscal year. This reduction does not apply to School Aid.

**Q: Could the Liability claims reserve be utilized for future civil claims?**

A: We suggest discussing this with your school attorney and auditor.